

PLEDGE OF CERTIFICATE OF DEPOSIT

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

THIS AGREEMENT OF PLEDGE is given by _____ (operator name as established by Office of Conservation) as Pledgor, pursuant to the following terms and conditions:

Pledgor hereby agrees to and does pledge and deliver unto Commissioner of Conservation, State of Louisiana, as Pledgee, the following described:

One (1) certain Certificate of Deposit in the amount of \$ _____,
numbered and designated _____, Account No. _____,
in the name of Pledgor, deposited in the _____,
(name of financial institution)
and _____,
(mailing address)
dated _____, payable _____.
(maturity date)

The above described property pledged in this Agreement shall be used to secure the obligations of Pledgor as follows:

Pledgor has applied to the Commissioner of Conservation, State of Louisiana, to receive a Permit to Drill for Minerals for a well described as _____,
(well name)

located in Section _____, Township _____, Range _____, _____ Parish, Louisiana. Pledgor is required to provide financial security acceptable to the Commissioner to insure the proper plugging and abandonment of the well, associated site restoration and response to emergencies. This pledge is made to guarantee compliance with that requirement and is payable to the Commissioner of Conservation. In accordance with La. C.C. Art. 3152, the Pledgor agrees that the Office of Conservation is the possessor of the pledge until all regulatory obligations of the Principal are satisfied and/or the Commissioner releases all rights to the collateral at issue in accordance with the Law and the Regulations.

This pledge shall run continuously with the obligation of Pledgor to plug and abandon and shall remain in full force and effect until plug and abandonment and site restoration is completed and the pledge is canceled or released in writing by the Pledgee or as otherwise provided by law. This pledge shall not be considered an asset of the Pledgor until all regulatory obligations of the

Principal are satisfied and/or the Commissioner releases all rights to the collateral at issue.

Pledgor shall become liable on this pledge obligation if and when Pledgor fails to perform his obligations to insure the proper plugging and abandonment of the wells, associated site restoration and response to emergencies.

The amount of the pledge is as expressed herein, but Pledgor takes notice that the amount of the financial security may be increased at the discretion of the Commissioner of Conservation. Upon notice from Pledgee, if an increase is required, Pledgor shall cause the financial security amount to be increased or shall otherwise provide the added pledge within sixty (60) days after notice.

IN WITNESS WHEREOF, the Pledgor has executed this agreement of pledge and delivered up the said Certificate of Deposit to Pledgee on this _____ day of _____, _____.

WITNESSES:

(Two Witnesses Required)

PRINCIPAL (Operator Name)

BY:

Operator's Duly Authorized Officer

Approved, accepted and executed by Pledgee at _____, Louisiana,
this _____ day of _____.

WITNESSES:

(Two Witnesses Required)

COMMISSIONER OF CONSERVATION
STATE OF LOUISIANA

STATE OF _____

PARISH/COUNTY OF _____

On this _____ day of _____, _____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the President of _____ and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors and the said _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

On this _____ day of _____, _____, before me appeared _____, COMMISSIONER OF CONSERVATION, STATE OF LOUISIANA, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public

RECEIPT

The undersigned financial institution hereby acknowledges that this Certificate of Deposit shall be presumed to be in the possession of the Office of Conservation, not the Principal, until all regulatory obligations of the Principal are satisfied and/or the Commissioner releases all rights to the collateral at issue in accordance with the Law and the Regulations on this _____ day of _____, 20____.

FORM: FS-CDMW
(03/18/2013)

AUTHORIZED SURETY SIGNATURE